

# FIRE PROTECTION CONTRACTS

Jennifer E. Gauger  
Co-General Counsel  
State Board of Accounts  
(317) 232-2507

\*Disclaimer: Neither this presentation nor the handouts constitute legal advice and should not replace counsel with your attorney.

# Ind. Code § 36-8-13-2

- ▣ If a majority of the owners of taxable real property residing within . . . a township located outside the corporate boundaries of a municipality petition the township executive and legislative body to provide fire protection . . . , the executive and legislative body shall . . . provide for fire protection.



# Ind. Code Ch. 36-8-13-3

The executive of a township, with the approval of the legislative body, may:

- (1) Purchase equipment, provide service, and employ personnel.
- (2) Contract with a municipality that maintains equipment and provides service
- (3) Cooperate with a municipality in the purchase, maintenance, and upkeep of equipment.
- (4) Contract with a volunteer fire department for the use and operation of township equipment.
- (5) Contract with a volunteer fire department that maintains adequate service.

# Ind. Code § 36-8-13-3(a)(1)

- ▣ Purchase firefighting and emergency services apparatus and equipment for the township, provide for the housing, care, maintenance, operation, and use of the apparatus and equipment to provide services within the township, and employ full-time or part-time personnel to operate the apparatus and equipment and to provide services in that area.

## Ind. Code § 36-8-13-3(a)(2)

- ▣ Contract with a municipality in the township or in a contiguous township that maintains adequate firefighting or emergency services apparatus and equipment to provide fire protection or emergency services for the township.

# Ind. Code § 36-8-13-3(a)(3)



- ▣ Cooperate with a municipality in the township or in a contiguous township in the purchase, maintenance, and upkeep of firefighting or emergency services apparatus and equipment for use in the municipality and township.



## Ind. Code § 36-8-13-3(a)(4)

- ▣ Contract with a volunteer fire department that has been organized to fight fires in the township for the use and operation of firefighting apparatus and equipment that has been purchased by the township in order to save the private and public property of the township from destruction by fire.

# Ind. Code § 36-8-13-3(a)(5)

- ▣ Contract with a volunteer fire department that maintains adequate firefighting service.
- ▣ Also, Ind. Code §§ 36-8-13-3(b) and (c) allow a township to provide fire protection or emergency services or both without contracts to the municipality.



# Options

- ▣ Wayne Township (Wayne County) provides fire protection via contract with the City of Richmond to all residents in unincorporated areas of Wayne Township.
- ▣ Bloomington Township (Monroe County) operates the Bloomington Township Department of Fire and Emergency Services with full-time and volunteer firefighters. The township also contractually provides fire and emergency services to Washington and Benton Townships.
- ▣ Huntington Township (Huntington County) officials voted unanimously on January 10, 2014, to end their contract with the city of Huntington for fire protection in rural areas of Huntington Township, and now contracts with four volunteer fire departments within Huntington County.

# Options

- ❑ Bloomfield Township (LaGrange County) contracts with the town of LaGrange to provide fire protection services for township residents. In turn, the town of LaGrange contracts with the LaGrange Volunteer Fire Department to maintain and staff the fire equipment. Residents who require the services of the fire department will be billed for this service, based upon resources used (equipment and personnel) and a fee schedule approved by the State Fire Marshall's Office.
- ❑ Center Township (LaPorte County) contracts with the Center Township Volunteer Fire Department, Inc.
- ❑ Delaware Township (Hamilton County) contracts with the Town of Fishers for its fire protection and emergency medical services.

**CENTER TOWNSHIP, LA PORTE COUNTY, INDIANA  
FIRE PROTECTION AGREEMENT**

This Center Township Fire Protection agreement (this "Agreement") is made and entered into this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between Center Township of La Porte County, Indiana ("Township") and the Center Township Volunteer Fire Department Inc. of LaPorte, ("Department").

**RECITALS**

**WHEREAS**, the Department is a duly organized not-for-profit corporation of the State of Indiana organized for the protection and preservation of life and property from fire and,

**WHEREAS**, the Township desires to secure fire extinguishment services and certain emergency rescue services for the unincorporated areas of the Township, and

**WHEREAS**, the Township owns all pieces of fire fighting apparatus and all loose equipment and facilities, and

**WHEREAS**, all funds, donations and grants obtained by the Department shall be used solely to provide support and continuing programs and functions for the Center Township Volunteer Fire Department of La Porte County, and

**WHEREAS**, all equipment purchased using department funds shall become the property of the Township, and

**WHEREAS**, the Department has agreed to provide fire protection service and certain emergency rescue services for the unincorporated areas of the Township subject to the conditions set forth herein;

**ARTICLE I**

**SERVICES TO BE PROVIDED**

1.1 Fire and Other Emergency Responses. The Department will provide sufficient personnel and utilize Township Equipment in extinguishing fires and in responding to certain rescue emergencies on a 24 hour per day basis, seven days a week. The Township acknowledges that the Department has entered into a Mutual Aid Agreement with other fire departments in the area to assist in emergencies; however, this Mutual Aid Agreement will not take the place of this Agreement. A copy of the Mutual Aid Agreement will be attached as Exhibit A.

1.2 The Department agrees to cooperate with the Township to provide sufficient personnel for the Township's fire extinguishment needs and emergency rescue services;

**AGREEMENT BETWEEN  
THE TOWN OF FISHERS AND DELAWARE TOWNSHIP  
HAMILTON COUNTY, INDIANA FOR EMS AND FIRE PROTECTION  
SERVICES**

This agreement ("Agreement"), is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2014, by and between the Town of Fishers (hereinafter referred to as "Fishers"), and Delaware Township, Hamilton County, Indiana (hereinafter referred to as "Delaware").

**WITNESSETH:**

**WHEREAS**, Delaware desires to avail itself of the fire protection and emergency medical service (EMS) offered and provided by Fishers and to compensate Fishers for such services; and,

**WHEREAS**, Fishers is desirous of providing such services and to be fairly compensated therefore.

**NOW, THEREFORE**, it is mutually agreed and undertaken by and between the parties as follows:

1. Fishers agrees to furnish to Delaware fire protection and emergency medical service for a period beginning January 1, 2014, and continuing through December 31, 2014, unless sooner terminated by either party as provided hereafter. Fishers agrees to continue such services until Delaware has retained alternative fire protection and emergency medical service in accordance with Paragraph 19.
2. Fishers shall answer all calls to extinguish fires and for emergency medical services occurring within the service area of Delaware; meaning the portion of Delaware Township of Hamilton County that is not a part of the Town of Fishers or the City of Noblesville, with the necessary personnel and equipment consistent with firefighting and EMS practices and procedures provided within the municipal boundaries of Fishers.
3. Fishers agrees to provide the above services on a twenty-four (24) hour a day, seven (7) day a week basis for the term of this Agreement.
4. Delaware agrees to compensate Fishers based upon a ratio of certified assessed value of that portion of Delaware Township covered by Fishers Fire Department outside Fishers' municipal boundary compared to the total certified assessed value for Delaware Township, Fishers, and that portion of Delaware Township covered by Fishers Fire Department. For 2014, that percentage is limited to a maximum of 1.78% of the current Fishers Fire/EMS Budget of \$17,679,789.00 resulting in a total amount of \$314,480.42. The lease payments for fire stations #91, #92, #93, #94, #95 and #96 are not included. There was no unexpended credit from 2013 budget; however there is a \$55,000 credit from last year's payments and the resulting total due for Delaware is \$259,480.42.

## SAMPLE FIRE CONTRACT

This contract is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ ("Anniversary Date") between the City of \_\_\_\_\_, \_\_\_\_\_ County, Minnesota, [address], a public corporation ("City"), and \_\_\_\_\_ Township, \_\_\_\_\_ County, Minnesota, [address], a public corporation ("Town").

In consideration of the mutual promises and agreements hereinafter set forth the parties do hereby agree as follows:

1. **Fire Service.** Town agrees to purchase from City, and City agrees to provide Town, the following fire services:

*(Check all those that apply)*

- |  |   |
|--|---|
| <input type="checkbox"/> Structural Firefighting <ul style="list-style-type: none"><li><input type="checkbox"/> External Structural Firefighting</li><li><input type="checkbox"/> Interior Structural Firefighting</li></ul>   | <input type="checkbox"/> Emergency Medical Services <ul style="list-style-type: none"><li><input type="checkbox"/> Fire Scenes</li><li><input type="checkbox"/> Rescue Scenes</li></ul>   |
| <input type="checkbox"/> Grass/Forest Firefighting   | <input type="checkbox"/> General Medicals <ul style="list-style-type: none"><li>Level of Emergency Medical Response<ul style="list-style-type: none"><li><input type="checkbox"/> First Responder</li><li><input type="checkbox"/> Emergency Medical Technician</li><li><input type="checkbox"/> Paramedic</li></ul></li></ul>  |
| <input type="checkbox"/> General Firefighting <ul style="list-style-type: none"><li><input type="checkbox"/> Vehicles &amp; Equipment</li><li><input type="checkbox"/> Carbon Monoxide Calls</li><li><input type="checkbox"/> Other Non-Structural Firefighting</li></ul>  | <input type="checkbox"/> Fire Code Enforcement  |
| <input type="checkbox"/> Rescue <ul style="list-style-type: none"><li><input type="checkbox"/> Vehicle &amp; Equipment Extrication</li><li><input type="checkbox"/> General Search &amp; Rescue</li><li><input type="checkbox"/> Confined Space Rescue</li><li><input type="checkbox"/> High Level Rescue</li><li><input type="checkbox"/> Water Rescue</li><li><input type="checkbox"/> Diving/Recovery</li></ul> | <input type="checkbox"/> Hazardous Materials Response <ul style="list-style-type: none"><li>Level of Hazardous Materials Response<ul style="list-style-type: none"><li><input type="checkbox"/> First Responder, Awareness</li><li><input type="checkbox"/> First Responder, Operations</li><li><input type="checkbox"/> HAZMAT Technician</li><li><input type="checkbox"/> HAZMAT Specialist</li></ul></li></ul> |
|  | <input type="checkbox"/> Disaster Response  |
|  | <input type="checkbox"/> _____  |

The services indicated above are further explained, or limited, as follows:

- a. **Allocation of Resources.** The parties understand the fire department officer in charge of the particular scene shall exercise judgment to determine, in consideration of all the established policies, guidelines, procedures, and practices, how best to allocate the available resources of the fire department under the circumstances of a given situation. Failure to provide fire services because of poor weather conditions or other conditions beyond the control of City shall not be deemed a breach of this contract.
  - b. **No Guarantee.** The parties understand and agree City will endeavor to provide the services indicated above to the best of its ability given the circumstances, but City makes no guarantees that the services it actually provides in a given situation will meet any particular criteria or standard.
2. **Payment.** Town agrees to pay City annually during the term of this contract the Payment Amount determined annually according to the following formula:

The following percentages relate specifically to Town in relation to the entire territory to which City provides fire services as the primary service provider (e.g., the entire City, Town's Service Territory, and all or any portions of other cities, towns, or unorganized territories included in the City's primary service area).

# Contract Provisions

- ▣ Sample Contracts in Materials
- ▣ Common Provisions:
  - Definition of service area/territory
  - Scope of service
    - ▣ What services provided
    - ▣ Days and hours of service
    - ▣ Adequately trained personnel
  - Term
    - ▣ Beginning and end dates
    - ▣ Contracts beyond a year?
  - Who maintains control of information (including, for example, number of runs)
  - Dollar amount



# Contract Provisions

- Vehicle and clothing allowance
  - For volunteer fire departments, the township pays unless the contract says otherwise
  - Contract payment includes all allowances and fees set forth in Ind. Code § 36-8-12-5.
- Specific insurance provisions
  - For volunteer fire departments, the township shall pay out of the general fund \$X premium for medical, accidental injury, smoke inhalation, cardiac disease, disability, and death coverage pursuant to Ind. Code §§ 36-8-12-6, 7, and 8. Such premium payment includes all of the unit's liability for volunteer firefighters' medical treatment, accident, injury, or death.
- When Things go Wrong:
  - Liability
  - Early termination clause
  - Indemnity





# Funding

- ▣ Ind. Code § 36-8-13-4 states: “Each township shall annually establish a township firefighting fund which is to be the exclusive fund used by the township for the payment of costs attributable to providing fire protection or emergency services . . . and for no other purpose.”
- ▣ Each township may levy, for each year, a tax for the firefighting fund. The tax rate and levy shall be established in accordance with Ind. Code Ch. 6-1.1-17.

# Funding

- ▣ The executive may accept donations for the purpose of firefighting and other emergency services.
- ▣ The township may impose a fee or service charge upon the owner of property due to an alarm caused by improper installation or maintenance, or a drill or test in which the fire department was not previously notified.

# Purchasing

- ▣ Pursuant to Ind. Code § 36-8-13-5, after a sufficient appropriation has been made, approved, and is available, the township executive, with the approval of the legislative body, may purchase firefighting apparatus, equipment, or housing an installment conditional sale or mortgage contract running no more than six years – unless the township has a total assessed value of \$60,000,000 or less and is purchasing the firefighting equipment with funding from the state or federal government, then fifteen years.
- ▣ The township may also borrow the necessary funds from a financial institution in Indiana to make the purchase on the same terms. Then the township shall appropriate and levy a tax each year sufficient to pay the obligation.

# Purchasing



- ▣ All purchases of firefighting apparatus and equipment shall be made in the manner provided by statute for the purchase of township supplies.
- ▣ If the amount involved is sufficient to require notice for bids, the notice must allow all bidders the opportunity to propose to sell upon a conditional sale or mortgage contract. The bids must state the proposed interest rate and terms of a conditional sale or mortgage contract, as well as the cash price.

# Insurance

- ▣ A township having a regularly organized fire department employing full-time firefighters may provide insurance for loss of life, dismemberment, or supplemental income protection due to injury during the course of employment.
- ▣ A township must pay for the care of full-time, paid firefighters who suffers injury or illness during the performance of the firefighter's duties. This includes medical and surgical care; medicines and laboratory; x-ray, diagnostic, and therapeutic service; and hospital and special nursing care.

# Questions

- ▣ Fire Protection Territories – Ind. Code Ch. 36-8-19
  - Two or more townships working together
  - Requires township resolution, public hearings, and adequate notice
  - Tax levy and fund procedures
  - DLGF approval – many turned down for failure to follow procedures:
    - ▣ Large amount of information required for resolution and notice, including financial analysis such as proposed levies and tax rates, uniformity, and estimated future impact on other units and taxes)
  
- ▣ Other questions?